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Legal Department

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Miscellaneous Leases and Licenses - Scrutiny of

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No.1470-D/39.
Revenue Department.
Bombay Castle, 28th August 1943.

From

The Secretary to the Government of Bombay,
Revenue Department;

To

M. Vithal Rao, Esquire.

Subject:- Plywood factory.
Supa, Kanara district.

Sir,

I am directed to refer to your letter, dated 4th February 1943 and the discussion in conference with the Director of Industries, the Chief Conservator of Forests and myself on 23rd July 1943, regarding your failure to establish a plywood factory within 2 years from 31st July 1940 as stipulated in paragraph 3 of Government letter, General Department, No.4233/33-G, dated 31st July 1940, and to request you to confirm in writing your oral acceptance of the following concessions offered by Government in supersession of those stated in the letter of 31st July 1940 referred to above and Government Resolution, General Department, No.4233/33, dated 10th March 1942 :-

I. The Karnatak Industrial and Plywood Company, Limited, will have a concession for 40 years for the extraction, for their own manufacturing purposes only, of trees, of not less than 4 feet in girth over bark and 4½ feet above ground level, named in section I of the attached schedule, at a royalty of Re.1/- per ton of 50 cubic feet of extracted material, the rate of royalty being liable to revision every 10 years from the date of the execution of the lease.

II. The Company will, during the period of the lease, be allowed to extract woods of the species mentioned in section II of the attached schedule, in reasonable quantities and purely for manufacturing purposes, from the area of the concession at the rates mentioned against them:-

	Rate per ton.	
(a)Teak or tectona grandis (b)Rosewood or dalbergia latifolia (c)Sandalwood or santalum album (d)Bijasal or pterocarpus marsupium	Current market rates minus cost of transport and extraction as notified by the Conservator of Forests, S.C., in January every year.	
(e)Adina cordifolia(Haldu) (f)Lagerstroemia Lanceolata (Benteak) (g)Stephegyne Parvifolia(Kalamb) (h)Terminalia tomentosa(Matti)	Rs. 20	Subject to revision at the end of hostilities.
(i)Terminalia paniculata(Kindal)	Rs. 10	
(j)Bombax malabaricum (Sawar)	Re. 1	

× III. The area in which the concessions are to be enjoyed, will comprise about 183 square miles lying to the north of the Potoli-Joida-Diggi Road in Supa Range. This will be clearly demarcated in the map to be attached to the lease to be executed.

IV.

IV. The Company will be allowed to extract timber for its requirements at its discretion in any part of the area, subject to the provision that at any time the area under working does not exceed one compartment in organised forests or one square mile in unorganised forests. The removal of teak, rosewood and bijasal from organised forests will not be permitted; and, in unorganised forests, it will be subject to special marking by the Forest Department. After the close of hostilities, removal of haldu, benteak and sawar from organised forests will be subject to the provisions of any working plan in force. till the end of the ...

V. The Company will have no right to compensation for any species exploited in the area of the concession by the Forest Department for departmental or war supplies through them or other contractors. till the end of the ...

VI. The Company shall supply to the Divisional Forest Officer any timber or other forest produce which may be required for war or departmental use and shall receive payment at the rates to be fixed by the Divisional Forest Officer on the basis of the concession rates at which the Company is permitted to exploit timber or such produce **plus** extraction charges as may be determined by the Divisional Forest Officer to have been incurred by the Company.

VII. The Company will have the right to store logs in the Kalinadi river subject to such rules to prevent pollution as the Divisional Forest Officer, Kanara, N.D., may pass.

VIII. The Company's carts or motor vehicles will be allowed to ply on all forest roads free of toll.

IX. The Company will be allowed to quarry stone for factory or road building purposes or earth for bricks ~~xx~~ or tiles for factory purposes free of charge.

X. The Company will be allowed to use the water of the Kalinadi river, free of charge.

XI. The Company will also be permitted to use two-ton lorries to minimise transport expenses.

XII. The Forest Department will appoint a special officer of the grade of Forester for measuring the Company's logs and the Company will deposit in advance every year the amount required to defray the cost of his pay, allowances of all descriptions, leave and pension contribution, fixed by the Conservator of Forests, S.C., who will also have power to appoint more than one special officer for the purpose if it is found that one officer cannot deal with the estimated intake of raw material.

XIII. The Company will have the right to use and to construct any roads or slides that may be required for extraction or transport of timber and to use all waterways for this purpose without restriction.

XIV. Government will not grant any concession for the manufacture of plywood in the area mentioned in clause III to any other company during the period of 40 years from the date of execution of the lease; but if the Company fails to get into full production to the satisfaction of Government by ~~13th~~ July 1944 or the Company's intake and manufacture of raw material is less than 400 tons per month from May 1949 onwards, Government will, after either of these dates, be free to grant any concessions in these areas to another company.

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company. Government also agrees, subject to the above, not to grant any concessions in these areas to another company for the manufacture of bobbins, shuttles, furniture, containers or chests without giving the company the first refusal for starting a factory for the manufacture of these articles within six months of the date of such refusal.

XV. All output of the factory until the end of the hostilities will be at the first disposal of the Supply Department of the Government of India.

XVI. The Company will be given a lease of 100 acres in the neighbourhood of Supa town for the construction of factory buildings, etc., and of 19,500 acres more in the vicinity of Supa town for the purposes of soft-wood plantation on the following conditions :-

(a) The period of the lease should be 10 years in the first instance.

(b) The Company will be allowed to extract trees from the area leased on payment of the following rates and subject to the following conditions :-

(i) All standing growth, except teak and blackwood, at Rs. 6 per acre,

(ii) Teak and blackwood at the market rates to be fixed by the Conservator of Forests, S.C., unless they are required for war or for Government purposes, provided that the Company will be allowed to extract teak and blackwood for construction of factory and for incidental buildings during the period of the war at Supply Department rates minus cost of extraction and transport fixed by the Conservator of Forests, S.C.

(iii) A sketch of the lay-out shall be submitted to the Conservator of Forests, S.C., before any trees in the area leased under this clause are cut and the price of the trees permitted to be cleared shall be paid in full before a single tree is cut.

(c) Save for such trees as may be reserved for shade or other purposes, the whole factory area of 100 acres shall be cleared of tree growth before 31st July 1944 and kept clear of coppice shoots, lantana, brushwood and other growth during the currency of the lease, and

(i) a strip 33 feet wide from the edge of the roads passing through or adjoining the land shall remain unfelled on either side of the roads,

(ii) a strip of 100 feet in width shall be cleared in all places where the boundary adjoins reserved forests, and this strip shall be kept clear of vegetation throughout the period of the lease so as to prevent fire from spreading in into the adjoining forests,

(iii) the boundary and other marks shall be kept in proper repair throughout the period of the lease, and

(iv) no part of the land shall be sublet to any person whatsoever without the previous permission in writing of the Divisional Forest Officer.

(d) The Company shall pay rent at annas 4 per acre per annum for the 100 acres of the factory area and for the area actually cleared for soft-wood plantation.

XVII.

XVII. The Company will, within six months of the receipt of this letter, execute a formal lease incorporating the above terms to be prepared by the Solicitor to Government at the cost of the company.

Your obedient servant,

R.K.Joshi,

For Secretary to the Government of Bombay,
Revenue Department.

Accompaniment.- Schedule.

No.1470-D/39.
Revenue Department.
Bombay Castle,28th August 1943.

Copies forwarded for information to -

the Chief Conservator of Forests,

the Conservator of Forests, S.C.,

the Director of Industries,

the Solicitor to Government,

the Accountant General(through the Finance Department),

the Finance Department,

the General Department.

By order of the Governor of Bombay,

For Secretary to the Government of Bombay,
Revenue Department.

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Schedule.

Section I.

List of species to be exploited for manufacturing purposes ~~ex~~ under condition 1.

S.No.	Names of species.	
1.	Ailanthus excelsa	arusa, dhup, helbeva.
2.	Ailanthus malabarica	Dhup
3.	Alseodaphne semicarpifolia	phadgus.
4.	Alstonia scholaris	satwin
5.	Amoora canarana	ammor.
6.	Anthocephalus cadamba	kadwal, kadam.
7.	Artocarpus hirsuta	~~ex~~ aini, hebalsu.
8.	Bauhinia lewii.	baswanpod.
9.	Bombax insigne	white sawar.
10.	Canarium strictum	raldhup
11.	Cedrela toona	devdari.
12.	Chikrassia tabularis	laldevdar
13.	Dichopsis elliptica	palla.
14.	Dillenie pentagyna	karmal, kangola
15.	Diospyros mycrophylla	dula kuri
16.	Dysoxysum malabaricum	white cedar
17.	Eleocarpus oblongus	gurmut
18.	Eugenia Jambolana	jambul
19.	Eugenia Kanarensis	kadneral
20.	Gmelina arborea	shivani.
21.	Hymenodictiyon excelsum	dendele
22.	Hymendodictiyon obovatum	bhogi
23.	Kydia calycina	bhendy
24.	Linoncera malabarica	akkarkal
25.	Lophopetalum wightianum	benate
26.	Machilus macrantha	gulmav
27.	Mangifera indica	mango
28.	Michelia champaca	kolsampige.
29.	Myristica attenuata	hedmadal
30.	Myristica malabarica	Jangliramphal
31.	Spondias accuminata	ranambada
32.	Sterculia Alata-villosa	savaga, bekro
33.	Terminalia belerica	goting.
34.	~~Text~~ Tetrameles nudiflora	jermal, bondale
35.	Trewia nudiflora	shilauri (tumri)
36.	Veteria indica	dhup
37.	Zenthoxylum spp.	tirphul.

Section II.

List of species to be exploited in reasonable quantities for manufacturing purposes under special terms of condition II.

Serial No;	Names of species.	
1.	Adina cordifolia	heddi, haldu
2.	Bombax malabaricum	red sawar
3.	Dalbergia latifolia	rosewood
4.	Lagerstroemia Lanceolata	benteak
5.	Pterocarpus marsupium	bijasal, honni
6.	Santalum album	sandalwood
7.	Stephegyne parvifolia	kalamb
8.	Tectona grandis	teak
9.	Terminalia paniculata	kindal
10.	Terminalia tomentosa	matti.

Subd.

9. Please read the letter from the New Overlay
3. Re Correspondence in connection with
a lease to be executed by Mr. Vithal Rao.
The terms of the lease are given in the letter
In clause XVII at p. 4 ante, it is stated
that the Company, with, within Six months
of the date of this letter, execute a formal lease
incorporating the above terms to be prepared
by the Solicitors at the cost of the Company
Pls. for orders whether we should await a reply
from Mr. Vithal Rao. 8/2/3
4/9 Solrs 8/2/3/9

Copy of letter No.1233/33-G, dated 17th January, 1943, from Government in the Forest Department, Bombay, to the Managing Director, The Indian Plywood Manufacturing Company, Limited.

Subject:-Plywood Factory.
Dandeli, Kanara District.
Proposal to start - - at,

" With reference to the correspondence ending with your letter dated 17th November 1942 to the address of the Chief Conservator of Forests, I am directed to state that Government is prepared to sanction the starting of a plywood factory at Dandeli, Kanara District, by the Indian Plywood Manufacturing Company, Limited, on the following terms and conditions:-

(I) The Company will have a concession for 40 years for the extraction of trees over 4 feet in girth of the species named in the attached schedule at a royalty of Re.1/- per ton of 50 cubic feet of extracted material, the rate of royalty being liable to revision in the event of the concession granted to the Karnatak Industrial and Plywood Company, Limited, being cancelled or the latter Company's rate being revised either on the expiry of the ten year period or earlier on account of its failure to comply with the terms of the concession;

The Company will be given woods of the following species if available in reasonable quantities and purely for manufacturing purposes at the rates mentioned against them:-

	Rate per ton.
(a) Teak. (b) Rosewood (c) Sandalwood (d) Bijasal or Pterocarpus marsupium	Current market rates
(e) Adina cordifolia (Haldu) (f) Lagerstroemia Lanceolata or Benteak	Re. 20/- per ton
(g) Bombax malabaricum or semar	Re. 1 subject to revision at the end of hostilities.

(II). The concession will comprise the following forest ranges:-

Gund
Virnol
Kulgi.
Sambrani
Dandeli - part. Supa Road to Banchi exclusive.

(III). The Company will be allowed to extract timber for its requirements at its discretion in any part of the area, subject to the provision that at any time the area under working does not exceed one compartment in organised forests or one square mile in unorganised forest. The removal of teak, rosewood and bijasal from organised forest will not be permitted and in unorganised forest will be subject to special grading by the Forest Department. After the close of the hostilities removal of Haldu, benteak and semar from organised forests will be subject to the provisions of any working plan in force.

(IV) 50 acres of suitable land at Dandeli will be granted to the Company for factory site at a rent of 4 annas per acre per year.

(V) The Company will have the right to store logs in the Kalinadi river subject to such rules to prevent pollution as the Divisional Forest Officer, Kanara, Northern Division, may frame.

(VI) The Company will be allowed to use Bamboo, climbers, sliphai, fuel, or fuel for charcoal burning free till the end of the hostilities. After that date Bamboo and fuel will be paid for at the current permit rates.

(VII) The Company's carts or motor vehicles will be allowed

to ply for all forest roads free of toll.

VIII. The Company will be allowed to quarry stone for factory or road building purposes or earth for bricks or tiles for factory purposes free of charge.

IX. The Forest Department will appoint a special officer of the grade of Forester for measuring the Company's logs. The pay and allowances of this officer will be paid by the Company.

X. The Forest Department will supply all timber required for the construction of the company's works at the rates at which it is supplied to the Department of Supply, i.e., scheduled rates plus 25 % provided the latter Department agrees to release it.

XI. The Company will have the right to use and to construct any roads or slides that may be required for extraction or transport of timber and to use all waterways for this purpose without restriction.

XII. Government will not grant any concession for the manufacture of plywood in the areas mentioned in clause II to any other company for a period of 10 months from the date of this letter but if the Company fails to establish a plywood factory and get into full production to the satisfaction of Government within this period Government will be free, on the expiry of this period, to grant any concessions in these areas to another Company. Government also agrees not to grant any concessions in these areas to any other company for the manufacture of bobbins, shuttles, furniture, containers or chests without giving the Company the first refusal for starting a factory for the manufacture of these articles within six months of the date of such offer.

XIII. The Company will have a right to extend railway by a siding to its factory site, subject to the approval of the Madras and [illegible] Railway Company for the Forest Department.

XIV. All output of the factory until the end of the hostilities will at the first disposal of the Department of Supply.

2. I am to request you to intimate within 2 weeks of the receipt of this letter whether you accept the terms and conditions outlined above."

Endorsement No. 4233/33/G, dated 13-9-43, from Government in the General Department, Bombay.

Copies forwarded for information to ---
the Chief Conservator of Forests,
the Conservator of Forests, Southern Circle,
the Director of Industries,
the Accountant General, (through the Finance Department),
the Finance Department,
the Revenue Department.

SCHEDULE.

List of trees to be exploited by the Indian Plywood Company for the proposed Plywood Factory at Dandeli.

1.	Ailanthus excelsa.	arusa, dhup, helbeva.
2.	Alseodaphne semicarpifolia.	phadgus.
3.	Anoora canarana.	ammor.
4.	Anthocephalus cadamba.	kadwal, kadam.
5.	Artocarpus hirsuta.	aini, hebalsu.
6.	Bauhinia Lamii.	basvanpod.
7.	Bombax insigne.	white sawar.
8.	Bombax malabaricum.	red sawar.
9.	Canarium strictum.	raldhup.
10.	Cedrela toona.	dandafi.
11.	Chrysophyllum tabularis.	laldevdar.
12.	Dichopsis elliptica.	palla.
13.	Dillenia pentagyna.	karmal, hangal.

14.

14.	Gmelina arborea	shivani.
15.	Hymenodictyon excelsum.	dandele.
16.	Ixora coccinea.	bhendy.
17.	Lophopetalum wightianum.	barate.
18.	Mangifera indica.	mango.
19.	Michelia nacrantha.	sulsay.
20.	Michelia champaca.	kolsampige.
21.	Terminalia belerica.	goting.
22.	Tetrameles nudiflora.	jerval, berhale.
23.	Trewia nudiflora.	shillauri (tumri)
24.	Vateria indica.	dhup.
25.	Zanthoxylum spp.	tirphal.

Copy of letter No.4233/33-G, dated 23rd January, 1943 from Government in the General Department, Bombay, to the Managing Director, The Indian Plywood Manufacturing Company, Limited.

Subject:-Plywood factory.
Dandeli, Kanara District.
Proposal to start - at,

" With reference to your letter dated 15th January, 1943, I am directed to state that the following may be ~~substituted for~~ substituted for condition No.III in paragraph 1 of my letter No.4233/33-G, dated the 13th idem.

Government will not grant any concession for the manufacture of plywood in the areas mentioned in clause II to any other company during the period of forty years stipulated in Clause I but if the company fails to establish a plywood factory and get into full production to the satisfaction of Government within a period of 18 months from the date of this letter, Government will be free, on the expiry of this period of 18 months, to grant any concessions in these areas to another company. Government also agrees not to grant any concessions in these areas to any other company for the manufacture of bobbins, shuttles, furniture, containers or chests without giving the company the first refusal for starting a factory for the manufacture of these articles within six months of the date of such offer.'

2. Condition No. I cannot be amended as suggested by you.

3. I am to add that there is a typographical error in condition No. I. The remark "subject to revision at the end of hostilities" applies both to the rate of Rs. 20/- per ton fixed for Haldu and Benteak as well as to Rs. 1/- per ton fixed for Bombax."

Copies forwarded for information ---

the Chief Conservator of Forests,
the Conservator of Forests, Southern Circle,
the Director of Industries,
the Remembrancer of Legal Affairs (with copy of Govt. letter No. 4233/33-G, dated the 13th January, 1943,
the Accountant General (through the Finance Department),
the Finance Department,
the Revenue Department.

Copy of letter No.4233/33-G, dated 20th January, 1943,

" I am directed to request that the following may be substituted for the last entry in condition No.II in paragraph 1 of my letter No.4233/33-G, dated the 13th January, 1943, regarding the starting of a plywood factory at Dandeli, as the existing entry does not fully describe the boundary of the forest range referred to in it:-

Dandeli - part. South of the Supa-Haliyal road to Bandhi cross roads and East of the Bandhi-Tattigatti road."

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copies forwarded for information to:-
The chief conservator of forests
the Conservator of Forests Sc.
the Remembrancer of Legal Affairs Bombay (through Mr F.)
the Accountant General Bombay (through Mr F.)
Public Works Department

T.T.C.

Copy of letter No.4233/33-G, dated 27th April, 1943.

" With reference to the correspondence ending with Government letter No.4233/33-G, dated the 29th January, 1943, on the subject mentioned above, I am directed to request that the figure '61.5' may be substituted for the figure '50' appearing in condition IV in paragraph 1 of my letter No.4233/33-G, dated the 17th January, 1943."

Copies forwarded for information to ---

the Chief Conservator of Forests (with reference to his letter No.33/5077, dated the 6th March 1943).
the Conservator of Forests, Southern Circle (with reference to his letter No.16/2/33, dated the 1st March 1943 to the Chief Conservator of Forests)
the Remembrancer of Legal Affairs,
the Accountant General, Bombay (through the Finance Deptt)
the Finance Department,
the Revenue Department.

Copy of letter No.4233/33-G, dated 2nd June 1943.

" I am directed to request that the following may be substituted for the penultimate entry (viz. Sadgarh) in condition No.(II) in my letter No.4233/33-G, dated the 17th January, 1943:-

Sadgarh Range excluding Blocks III to VI inclusive of the Malijal Teak Pole Plan."

Copies forwarded for information to ---

the Chief Conservator of Forests (with reference to his letter No.33/D/33, dated the 1st May 1943)
the Conservator of Forests, Southern Circle,
the Remembrancer of Legal Affairs,
the Accountant General, Bombay,
the Finance Department,
the Revenue Department.

AN AGREEMENT made at the day of One thousand nine hundred and forty-three Between THE GOVERNOR OF BOMBAY hereinafter called "~~the~~ Government" (which expression shall unless the context does not so admit include his successors and assigns) of the one part and THE INDIAN PLYWOOD MANUFACTURING COMPANY, LIMITED, a Company incorporated under the Indian Companies Act, 1913 and having its registered office at hereinafter called "the Company" (which expression shall unless the context does not so admit include its successors and assigns) of the other part WHEREAS the Company is desirous of starting a plywood factory at Dandeli, Kanara District AND WHEREAS the Company has requeste Government to grant it a concession for forty years for the extraction of trees over four feet in girth of the species named in the Schedule A hereto in the area mentioned hereafter which ~~the~~ Government has agreed to do upon certain terms and condition AND WHEREAS before signing this agreement the Company has deposi with the Divisional Forest Officer, Kanara, Northern Division, (hereinafter called "the Divisional Forest Officer") a sum of Rupees five thousand as security for the due compliance with and the performance by the Company of all the terms and conditions in this agreement so far as they are to be observed and perfo by the Company AND WHEREAS by a rule under section 76, clause (of the Indian Forest Act, 1927 hereinafter called "the said Act" whoever enters into any contract with any Forest Officer acting on behalf of Government shall, if so required by such Forest Officer, bind himself by a written instrument to perform such contract. NOW IT IS HEREBY MUTUALLY AGREED as follows:-

1. The Company will have a concession for forty years from for t extraction of trees over four feet in girth of the species name

in the Schedule A hereto in the area mentioned in clause 2 at a royalty of Rupee one per ton of 50 cubic feet of extracted material, to be paid to Government the rate of royalty being liable to revision in the event of the concession granted to the Karnatak Industrial and Plywood Company, Limited being cancelled or the latter Company's rate being revised either on the expiry of the 10 years period or earlier on account of its failure to comply with the terms of the concession. This concession is granted to the Company for its own manufacturing purposes only. The Company will be given woods of the following species if available in reasonable quantities and purely for manufacturing purposes at the following rates mentioned against them:-

	Rate per ton.
(a) Teak (b) Rosewood (c) Sandalwood (d) Bijasal or Pterocarpus marsupium	Current market rates.
(e) Adina cordifolia (Haldu) (f) Lagerstoemia Lanceolata or Benteak	Rs.20/- subject to revision at the end of the present war.
(g) Bombax malabaricum or sawar	... Re.1/- subject to revision at the end of the present war.

2. The concession mentioned in clause 1 will be given in the following forest areas:

(a) Gund.
(b) Virnoli.
(c) Kulgi.
(d) Sambrani Range excluding blocks III to VI inclusive of the Haliyal Teak Pole Plan
and (e) Dandeli - part. South of the Supa-Haliyal road to Barchi cross roads and East of the Barchi-Tawargatti road.

3. The Company will be allowed to extract timber at its discretion in any part of the said area subject to the provision that at any time the area under working does not exceed one compartment in organised forest or one square mile in unorganised forest. The removal of teak, rosewood and bijasal from organised forest will not be permitted and in unorganised forest will be

subject to special marking by the Forest Department. After the termination of the present war, removal of Haldu, Benteak and Sawar -from organised forests will be subject to the provisions of any working plan in force prepared by Government.

4. 61.5 acres of suitable land will be leased to the Company for factory site at a rent of 4 annas per acre per year. Save for such trees as may be reserved for shade or other purposes, the whole factory area of 61.5 acres shall be cleared of tree growth before 13th July 1944 and kept clear of coppice-shoots, lantana, brushwood and other growth during the currency of the lease, and

(a) a strip of 33 feet wide from the edge of the roads passing through or adjoining the land shall remain unfelled on either side of the road,

(b) a strip of 100 feet in width shall be cleared in all places where the boundary adjoins reserved forests, and this strip shall be kept clear of vegetation throughout the period of the lease so as to prevent fire from spreading into the adjoining forests,

(c) the boundary and other marks shall be kept in proper repair throughout the period of the lease, and

(d) no part of the land shall be sublet to any person whatsoever without the previous permission in writing of the Divisional Forest Officer.

5. The Company will have the right to store logs in the Kalinadi river subject to such rules to prevent pollution as the Divisional Forest Officer or the Divisional Forest Officer, Belgaum Division, may pass.

6. The Company will be allowed to use Bamboos, climbers except shigekai, fuel, or fuel for charcoal manufacture free till the date of determination of the present war. After that date Bamboos and fuel ~~will be paid for~~ at the current permit rates.

7. The Company's carts or motor vehicles will be allowed to ply on all forest roads free of toll.

8. The Company will be allowed to quarry stone for factory or road building purposes or earth for bricks or tiles for factory purposes free of charge.

9. The Forest Department will appoint a Special Officer of the grade of Forester for measuring the Company's logs. The pay and allowances of this officer will be paid by the Company. The Company will deposit in advance every year the amount required to defray the cost of his pay and expenses of all descriptions, leave and pension contributions, fixed by the Conservator of Forests, Southern Circle, who will also have power to appoint morethan one Special Officer for the purpose if it is found that one officer cannot deal with the estimated intake of raw material.

10. The Company will be allowed to use the water of the Kalinadi river, free of charge.

11. The Company will also be permitted to use two ton lorries to minimise transport expenses.

12. The Forest Department will supply all timber required for the construction of the Company's works at the rates at which it is supplied to the Department of Supply, i.e. scheduled rates plus 2½ per cent. provided that the Department of Supply agrees to release the same.

13. The Company will have the right to use and construct any roads or slides that may be required for extraction or transport of timber and to use all water ways for this purpose without restriction.

14. Government will not grant any concession for the manufacture of plywood in the areas mentioned in clause 2 to any other Company during the period of 40 years stipulated in clause 1; but if the Company fails to establish a plywood factory and get into full

production to the satisfaction of Government before the 23rd day of July 1944 Government will be free after the said date to grant any concessions in the said areas to any other Company. If the Company's intake and manufacture of raw materials is less than 400 tons per month from May 1949 onwards Government will be also free to grant any concessions in the said areas to any other Company. Subject to the above Government agrees not to grant any concessions in these areas to any other Company for the manufacture of bobbins, shuttles, furniture, container or chests without giving the Company the first opportunity for starting a factory for the manufacture of these articles within six months of the date of such offer.

15. The Company will have theright to extend railway by a siding to its factory site, subject to the approval of the Madras and Southern Mahratha Railway who manage the Alnavar-Dandeli Railway for the Forest Department.

16. All output of the factory until the termination of the present war shall be placed at the disposal of the Department of Supply.

17. The amount of royalty, rent or any other amount due under is agreement shall be paid to the Divisional Forest Officer on behalf of Government. If and whenever any part of the rent, royalty or any other amount due under this agreement shall be in arrear the samemay be recoverable from the Company in accordance with section 83 of the said Act or as an arrear of land revenue in accordance with sections 82 and 85 of the said Act or in both ways. If the said rent or royalty hereby reserved shall be in arrear for the space of 30 days whether the same shall have been legally demanded or not or if and whenever there shall be a breach of any of the covenants or conditions by the Company herein contained, Government will be at liberty to terminate this Agreement and to forfeit the said depos

18. The Company shall perm and observe all the covenants and

conditions contained in the accompanying standard form of agreement hereto annexed and marked A so far as they are applicable to this agreement.

IN WITNESS WHEREOF THE GOVERNOR OF BOMBAY hath caused the Chief Conservator of Forests to set his hand and affix his official seal hereto on his behalf and the Common Seal of the Indian Plywood Manufacturing Company, Limited, has been affixed hereto the day and year first above written.

SCHEDULE A.

Section I.

List of species to be exploited for manufacturing purposes under clause 1.

(The Schedule may be copied from theSchedule attached to the letter dated 28th August 1943 addressed to Mr.M.Vithal Rao, with suitable modifications where necessary).

SIGNED, SEALED and DELIVERED by)
Esq.)
Chief Conservator of Forests, Province)
of Bombay, in the presence of:)

1.

2.

The Common Seal of the Indian Plywood Manufacturing Company, Limited, was affixed hereto pursuant to a resolution of the Board of Directors dated
day of
in the presence of:-

1.

2.

Legal Department.

There is no objection to executing a lease in favour of the School Board if the Local Authority so desires. The Administrative Officer may be authorised by the School Board by a resolution to execute such a lease. If the School Board keeps a seal the same may be affixed to the lease in the presence of two witnesses.

10/11

Solicitor to Government.

U.R. to E.D., No. 8305, dated 10-11-1943.